

Larry E. Craig, Chairman
Jade West, Staff Director

No. 73

Legislative Notice

Editor, Judy Gorman Prinkey

June 23, 1998

S. 2132 – The 1999 Department of Defense Appropriation Bill

Calendar No. 395

Reported from the Committee on Appropriations on June 4, 1998, by a unanimous vote of 27-0.
[S. Rept. 105-200]

NOTEWORTHY

- Majority Leader Lott indicates he expects the Senate will take up S. 2132 prior to its July 4 recess.
- S. 2132 provides a total of \$250.3 billion in new spending authority for the Department of Defense for FY 1999. The bill provides \$2.8 billion more than was appropriated for FY 1998, and is \$480.7 million below the President's request. The Appropriations Committee conformed fully to the budget resolution for defense spending in its 302(b) allocation.
- The bill follows closely the amount authorized in the FY 1999 Department of Defense Authorization Act (S. 2057), providing: \$440.4 million for Former Soviet Union Threat Reduction; a 3.1-percent military personnel pay raise; an additional \$50 million for advance procurement of the LHD-8 amphibious ship; \$1.26 billion for Environmental Restoration; an additional \$78.5 million to procure 8 additional UH-60 Blackhawk helicopters; \$3.18 billion for Ballistic Missile Defense; the active duty and reserve end strength levels authorized; and no funds for the Theater High Altitude Area Defense (THAAD) Engineering, Manufacturing and Development account due to test failures and delays.
- In other action, the Committee provides \$747 million for overseas contingency operations in Southwest Asia, but does not provide the \$1.9 billion emergency request for Bosnia at this time.

BILL PROVISIONS

Title I — Military Personnel

- The Committee recommends appropriations totaling \$70.5 billion for **military personnel**, \$290.8 million below the budget estimate.
- The bill recommends **active duty end strengths** of 1,395,778 for the military components of the Active Duty Force, and an 875,094 end strength level for the **Guard/Reserves**, for a grand total military end strength level of 2,270,872. This comports with the FY 1999 budget estimate.
- The bill fully funds a 3.1-percent **military personnel pay raise**, effective January 1, 1999, to help ensure that military compensation remains attractive and competitive with private sector pay, and that the military services continue to attract and retain highly qualified volunteers.
- After consultation with the Department of Defense (DOD) and the Senate authorization committee, the Appropriations Committee concluded that the FY 1999 budget request for \$301,000 to implement a DoD policy change for obligation of funds for **advance pay** was not required.

Title II — Operation and Maintenance

- The Committee recommends appropriations totaling \$83.5 billion for **operation and maintenance**, which is \$1.7 million below the budget estimate. The Committee also recommends that \$150 million be transferred from the national defense stockpile transaction fund.
- An additional \$264 million is provided for **Real Property Maintenance**, or quality of life enhancements throughout the DoD, distributing these funds among individual service operation and maintenance accounts for transfer into the "quality of life enhancements, defense" account. The funds shall be used only for the maintenance and repair of barracks, dormitories or other personnel support facilities within the U.S. and its territories. The Committee directs each Service Secretary to provide a report to the committees on all additional projects to be funded prior to any obligation of funds or contract awards, no later than March 15, 1999.
- A new account, the **Contingency Operations Morale, Welfare, and Recreational Services (MWR)** is established to fund shortfalls in morale, welfare and recreational

services available to troops deployed in support of contingency operations and their families, and to address retention and reenlistment shortfalls in critical military occupational specialties. The account is funded at \$50 million.

- The Committee provided additional funds in the Navy (\$52 million) and Air Force (\$110 million) operation and maintenance accounts to mitigate the impact of identified shortfalls in **flying hour funding**.
- A total of \$747 million is provided for ongoing **contingency operations in Southwest Asia**, but does not provide \$1.9 billion emergency request for **Bosnia** at this time.
- The Committee recommends \$1.26 billion for **environmental restoration**, which is \$6 million above the budget estimate. The Committee agrees with the reductions proposed by the Senate Armed Services Committee in the environmental accounts for a total reduction of \$24 million.
- Commending the Army and the Corps of Engineers for their management of the **Formerly Used Defense Sites (FUDS)** program, the Committee provides an additional \$30 million to reduce the number of FUDS requiring investigation and remediation.
- The authorized level, \$440.4 million, is provided for **Former Soviet Union Threat Reduction**. Of that amount, \$35 million is reserved only to support the dismantling and disposal of nuclear submarines in the Russian Far East.

Title III — Procurement

- The Committee recommends a total of \$48.6 billion in new budget authority for **procurement**, an increase of \$719 million to the budget request.
- Included in the bill is an additional \$50 million to procure additional **Multiple Launch Rocket System (MLRS)** launchers for the National Guard.
- An additional \$30 million is provided for **Javelin** in the expectation that the additional missiles purchased will be provided to crisis response forces stationed in the Pacific.
- The Committee directs that an additional \$90 million be available only to initiate a competitive program to modify **C-135 series aircraft** (707-based aircraft) and install leased engines. The Committee believes that the funds provided may permit eight aircraft to be modified and re-engined.
- A funding level of \$500 million is recommended for **National Guard and Reserve dedicated equipment**. This account was not included in the budget request. The appropriation for this account includes direction for each Reserve or National Guard

component commander to prepare and submit to the Congressional defense committees a detailed assessment of that component's modernization priorities.

- The Committee provided \$610.8 million to procure seven V-22 tilt-rotor aircraft.
- The bill appropriates \$2.67 billion to procure 3 DDG-51 class destroyers.
- The Committee recommends that 3 additional Joint Primary Aircrew Trainer System (JPATS) trainer aircraft be built.
- Thirteen C-17 airlift aircraft are recommended, with a funding level of \$2.6 billion.
- An additional \$50 million is provided for advance procurement of the LHD-8 amphibious assault ship.
- The bill provides \$2.79 billion to procure 30 F-18E/F fighters.

Title IV — Research, Development, Test, and Evaluation (RDT&E)

- The Committee provided a total of \$36.1 billion for research, development, test, and evaluation (RDT&E).
- The reorganization of airborne reconnaissance within the DoD has necessitated a transfer of Defense-wide RDT&E funds to the services. Therefore, the Committee has transferred funds from RDT&E, Defense-Wide, to service RDT&E accounts.
- Understanding that the Department has launched a search for alternatives to anti-personnel landmines, with the goal of fielding such alternatives as soon as practicable, the Committee includes \$12.5 million for activities relating to the identification, adaptation, modification, research and development of existing and new tactics, technologies and operational concepts. In addition, the Defense Secretary is to submit a report by March 1, 1999, describing progress made in identifying and fielding such alternatives and future plans in this effort.
- The Committee recommends that \$50 million for future aircraft carrier system development be used exclusively for CVN-77 development.
- A reduction of \$115.6 million from the budget request is recommended for future aircraft carrier (CVX) research and development. The Committee provides \$74 million for the CVX program. At the same time, understanding that the Navy is currently restructuring its CVX program, and plans to use \$50 million to introduce new technologies into the CVN-77, the Committee provides this amount for that purpose.

- The Committee provides \$235.2 million, a net decrease of \$57 million to the budget request for **airborne laser (ABL)** development. The Committee recommendation deletes \$97 million, consistent with the Senate-reported DoD Authorization bill. The reduction deletes funds for air vehicle integration and checkout and for purchase of the aircraft. The Committee, however, added \$40 million to support ground testing of ABL components as a risk reduction measure prior to proceeding with aircraft integration.
- Expressing its concern about the aging of **F-16A/B aircraft** flown by the Air National Guard Wings and to ensure these wings continue their role in our Nation's defense, the Committee provides \$20 million to define a service life extension and capability enhancement package for these aircraft.
- The Committee provided approximately \$3.2 billion for RDT&E efforts on **national and theater ballistic missile defense systems and technologies**. This appropriation represents an overall decrease of \$442,000 to the Ballistic Missile Defense Organization RDT&E request. The Committee also provides \$258.9 million for procurement of ballistic missile defense systems and components, a reduction of \$150.5 million to the budget request. Thus, the total appropriation for ballistic missile defense programs in this bill is \$3.4 billion.
- For the **Theater High Altitude Area Defense (THAAD)** Demonstration/Validation (Dem/Val) program, the Committee appropriated \$497.7 million, but deleted all funds requested for engineering and manufacturing development. Of the money appropriated for Dem/Va, the Committee deleted all \$180 million budgeted for the purchase of 40 user operational evaluation system (UOES) missiles, since the Committee repeatedly raised questions about the proposal to purchase 40 THAAD missiles based on a single intercept test. These deleted funds were restored to the Dem/Val program.
- A total increase of \$45 million is provided for continuation of **Patriot PAC-3** engineering and manufacturing development program.
- The bill adds \$94 million for the **Space Based Laser** program.
- The Committee provided an additional \$105 million for the **Navy Upper Tier** missile defense program.

Title V — Revolving and Management Funds

- A total of \$764.5 million is provided for Title V, **revolving and management funds**. This level is \$251.4 million above the budget request.
- Of this total, \$669.5 million is provided for the **national defense sealift fund**, and \$94.5 million is recommended for **Commissary and Air Force Working Capital Funds**.

Title VI — Other Department of Defense Appropriations

- The Committee's recommendation for the **Defense Health Program** is \$10.3 billion, which is \$281.5 million above the budget request.
- \$742.6 million is provided for the **drug interdiction** program, which is \$15 million above the requested level. Of this increase, \$7 million is for the Gulf States counterdrug initiative, and \$8 million is for Caribbean/Eastern Pacific surface interdiction.

Government Performance and Results Act

The report accompanying S. 2132 highlights the fact that the Department's six strategic goals define broad mission priorities but state that these parameters do not satisfy the criteria specified in the Results Act as performance goals. To better enable Congress and OMB to monitor the Department's compliance with the Results Act, the Committee recommends that the Secretary of Defense provide both mission and functional operational performance goals in the Department's FY 2000 performance plan.

Specifically, the Committee recommends that the Department establish performance goals for recruiting and retention of military personnel, depot financial and logistics performance, real property maintenance, training priorities unit readiness, weapons system testing, and contractor cost performance on procurement and research and development programs. These facts will present to Congress a more specific and genuine measure of the effectiveness of DoD's programs and budget priorities.

COST

Projections of outlays associated with the recommendation are as follows: FY 1999: \$168.2 billion; FY 2000: \$50.9 billion; FY 2001: \$17.3 billion; FY 2002: \$7.5 billion; 2003 and future years: \$5.3 billion.

ADMINISTRATION POSITION

There was no Statement of Administration Policy available at press time.

POSSIBLE AMENDMENTS

There were no known amendments at press time.

Staff Contact: Dr. Yvonne Bartoli, 224-2946
[Attachment: Chart]

Department of Defense Appropriations Bill, 1999

<u>Appropriation Account</u>	<u>1998 Appropriation</u>	<u>Budget Estimate</u>	<u>Committee Recommendation</u>
<u>Title I, Military Personnel</u>			
Total	\$69,470,505,000	\$70,777,086,000	\$70,486,263,000
Emergency appropriations	—	\$346,200,000	—
<u>Title II, Operation and Maintenance</u>			
Total	\$82,895,461,000	\$83,542,237,000	\$83,540,513,000
Emergency appropriations	—	\$1,512,400,000	—
(By transfer)	(\$150,000,000)	(\$150,000,000)	(\$414,000,000)
<u>Title III, Procurement</u>			
Total	\$45,647,215,000	\$47,849,546,000	\$48,568,838,000
<u>Title IV, Research, Development, Test and Eval.</u>			
Total	\$37,891,324,000	\$36,078,577,000	\$36,107,571,000
<u>Title V, Revolving and Management Funds</u>			
Total	\$2,046,900,000	\$549,666,000	\$764,066,000
(By transfer)	—	(\$350,000,000)	(\$151,000,000)
<u>Title VI, Other DoD Programs</u>			
Total	\$11,821,037,000	\$11,770,568,000	\$11,992,118,000
<u>Title VII, Related Agencies</u>			
Total	\$354,980,000	\$360,123,000	\$364,123,000
<u>Title VIII, General Provisions</u>			
Total	-\$2,418,900,000	\$71,000,000	-\$1,305,400,000
GRAND TOTAL	\$247,708,522,000	\$250,998,803,000	\$250,518,092,000